

Posten Norge

Results as of 1st half-year 2015



Agenda 1st half-year 2015

PART 1:

- Highlights and developments
by CEO Dag Mejdell

PART 2:

- Results and Segment Review
by CFO Tone Wille

PART 3:

- Q&A



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Highlights – Important events 1st half-year 2015



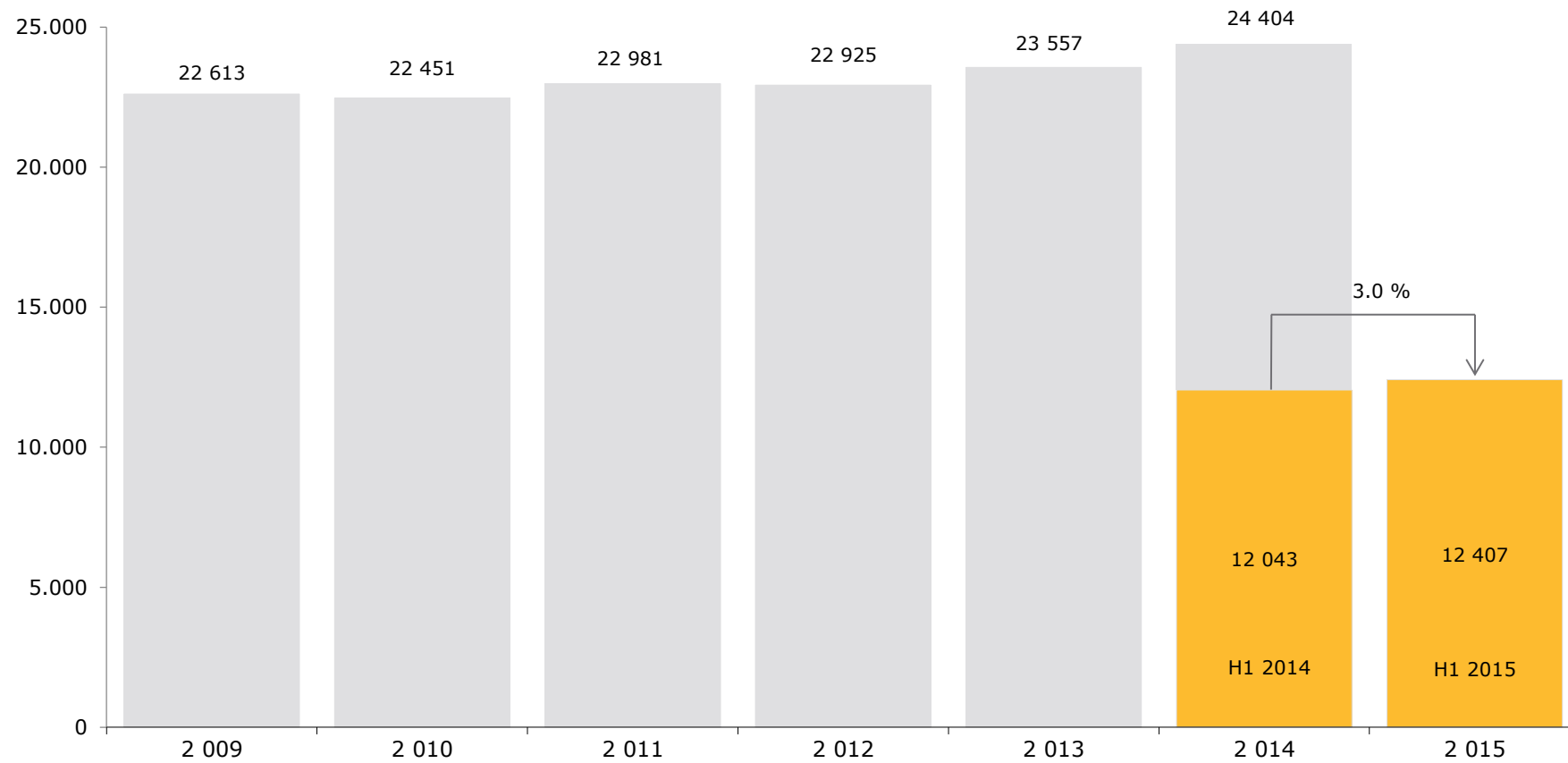
- The growth in **e-commerce** continues. In the first half-year 2015, the Group's total e-commerce volume increased by 6%.
- The **new Postal Services Act** has been granted by the government. It is expected that the law will contribute to Norway Post's ability to adjust according to changes in the needs of customers.
- **Digipost** passed 520 000 users in the first half-year 2015.
- **Absence** due to **sickness** was 6.1 % the last twelve months, a decrease of 0.4 % - percentage points from 2014.
- Delivery quality for A-mail in second quarter 2015: **85.8 %** (0.8 percentage points above the licence requirement).
- 17 March, the Group sold its investment in EVRY ASA. The sale resulted in a payment of BNOK 1.7 and a gain of MNOK 219.
- Posten Norge has decided to undertake Norway's largest purchase of electric cars. During a period of one year approximately 300 new electric cars will be used in postal distribution across the nation.

Financial highlights 1st half-year 2015

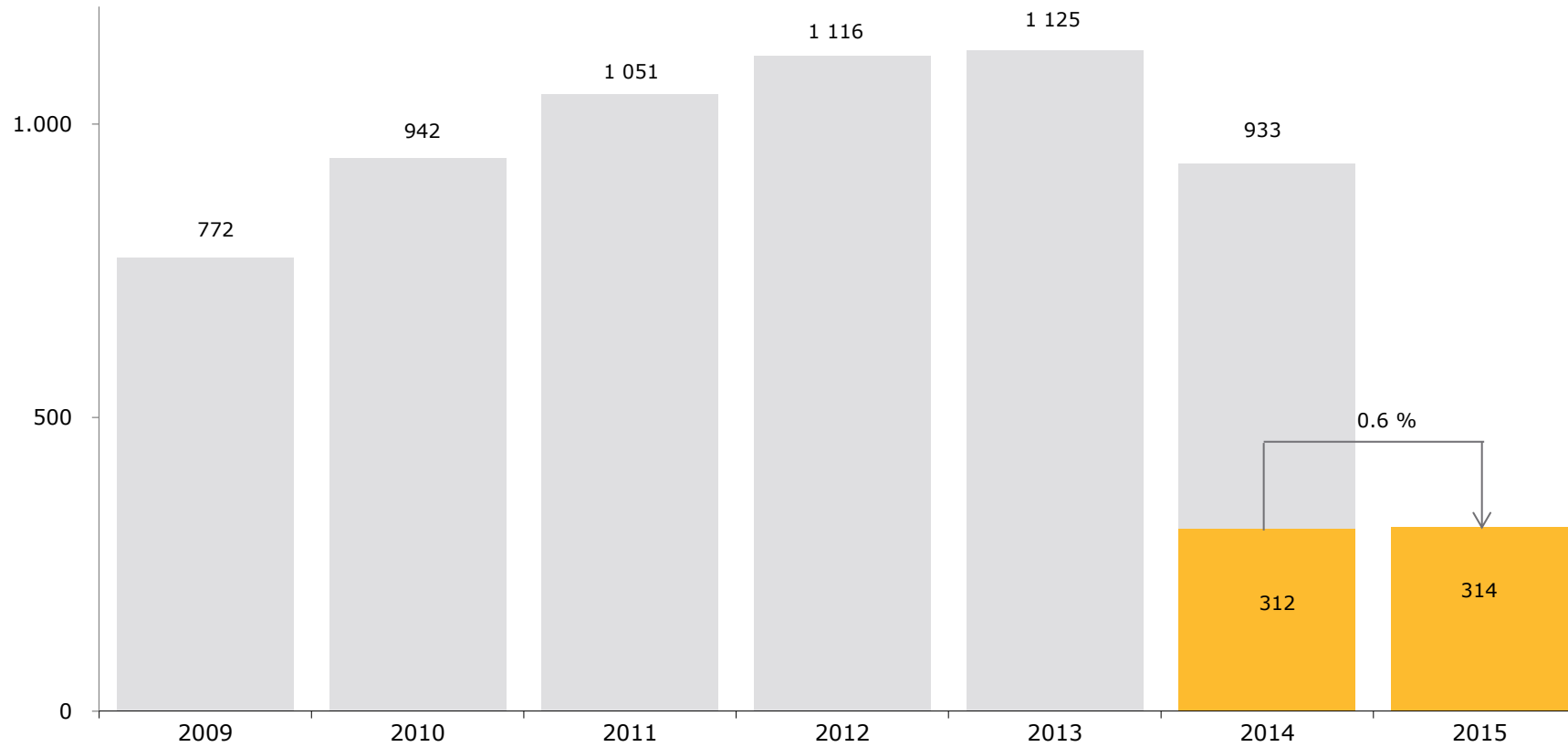
- Operating revenues:
MNOK 12 407, up 3 % from 2014
- Earnings before interest and taxes*:
MNOK 314, up 0.6 % from 2014
- Return on invested capital (last 12 months)*:
13.8 %, down 4.1 percentage points from 2014
- Return on equity after tax (last 12 months):
12 %, up 1.1 percentage points from 2014



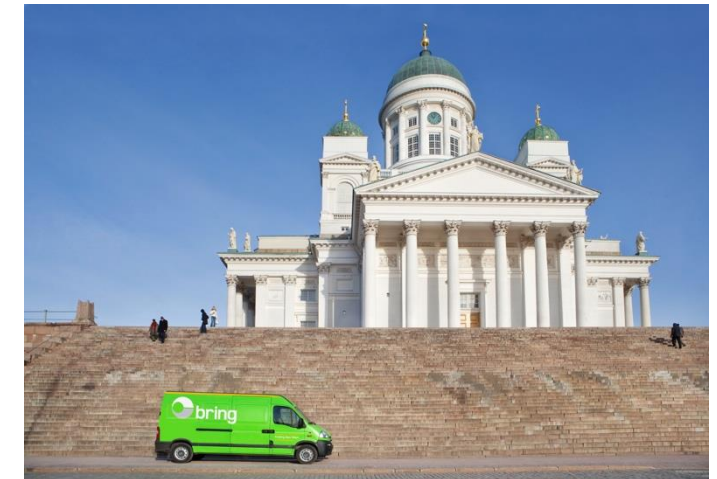
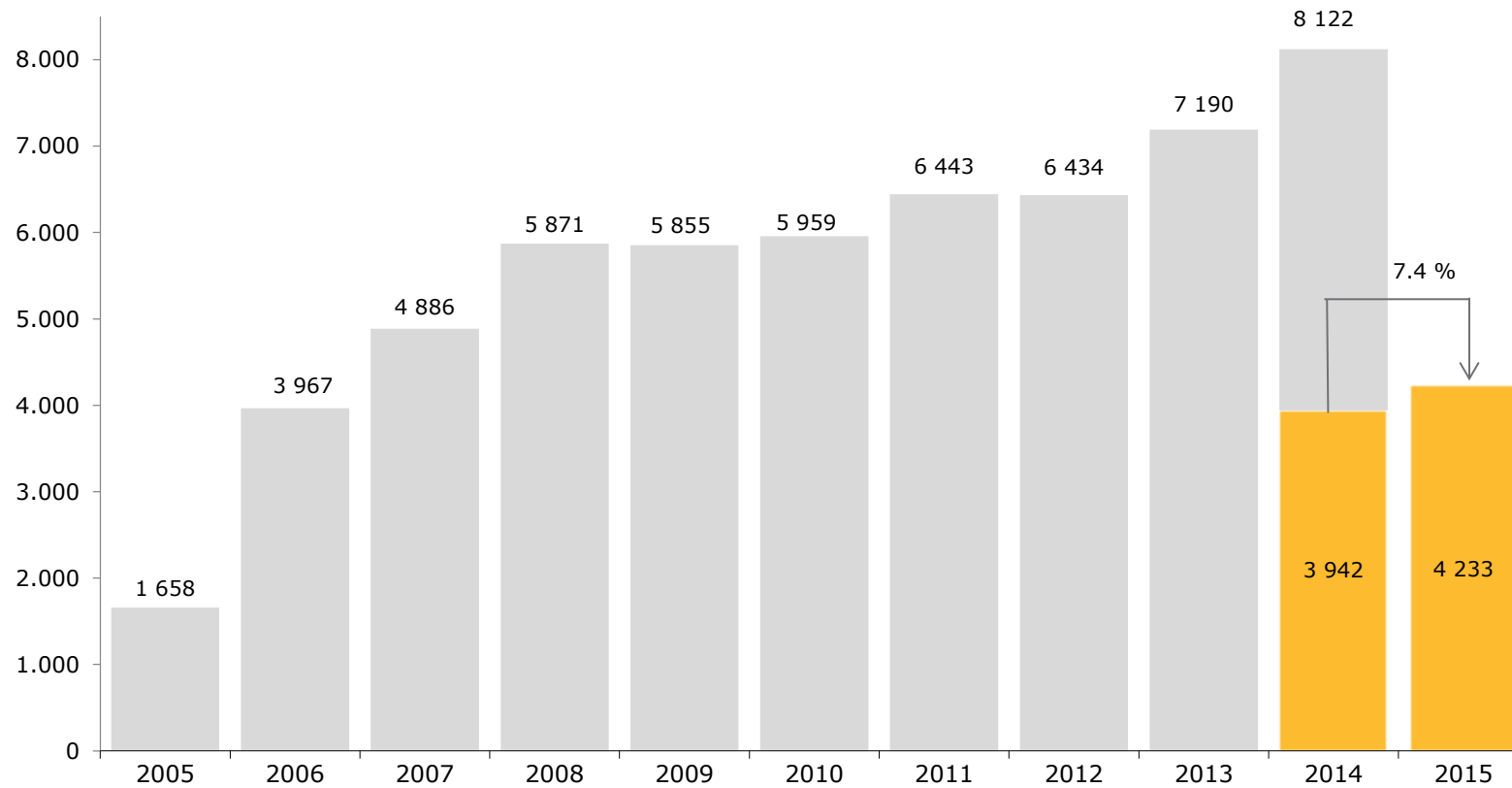
Operating income (MNOK)



Earnings (EBIT) before non-recurring items and write-downs (MNOK)



Operating income from foreign companies



Operating income from foreign companies accounted for 34.1% of the Group's operating income, up 1.4 percentage points from last year.

Results

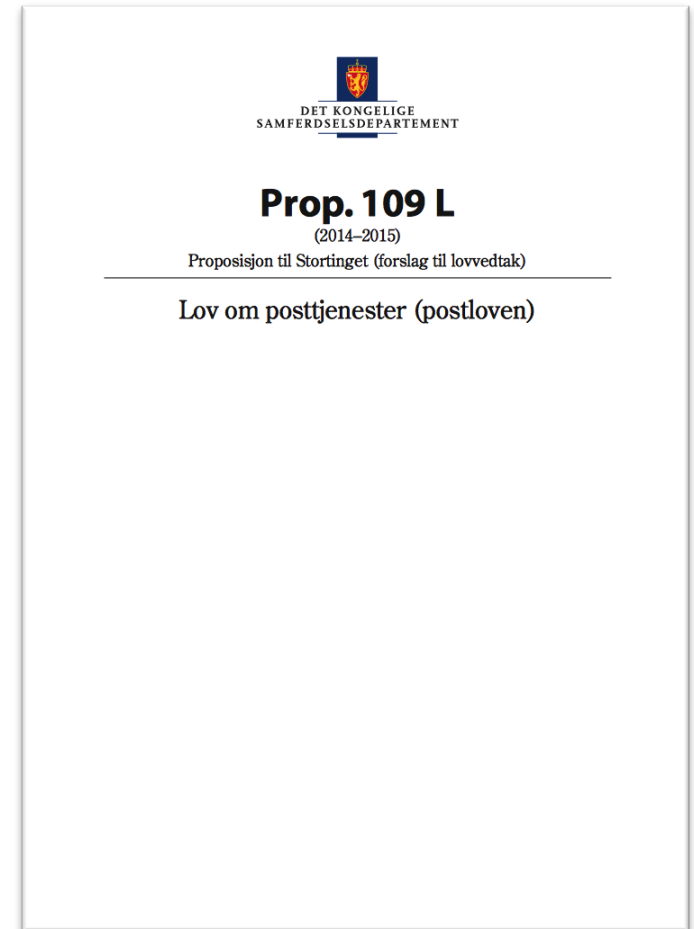
Q2 2015	Q2 2014	MNOK	YTD 2015	YTD 2014	Year 2014
6 120	5 971	Operating revenues	12 407	12 043	24 404
281	317	EBITDA	718	702	1 723
82	121	EBIT before non-recurring items and write-downs	314	312	933
2	145	Write-downs	2	145	282
87	-8	Non-recurring expenses/(income)	84	-11	-66
-6	-15	EBIT before share of profit from associates	227	178	718
-4	19	Share of profit from associates*	244	46	126
-11	4	EBIT	472	224	844
-23	-16	Net financial items	-49	-45	-123
-34	-13	Earnings before tax	422	180	720
-3	36	Taxes	55	87	271
-31	-49	Profit after tax	368	93	449

* Includes gain from sale of EVRY ASA

The new Postal Services Act was granted by the Government 9. June – Expected effective date during 2016

Some main items in the new act:

- Full competition on mail services in Norway by adopting EU's 3. postal directive.
- The duty of Posten to distribute mail on Saturdays is removed (from 6 to 5 days) – exceptions for newspapers in some rural areas.
- Geographically postage fees for single postal items below 50 grams.
- The postal codes system is transferred to governmental management as a public resource.



Posten Norge with a record purchase of new electric cars

- Norwegian post undertakes Norway's largest single purchases of electric cars.
- During a one year period about 300 new electric cars will start operating in the postal distribution across the country.
- This is a part of the group's extensive focus on reducing the group's CO2 emissions.
- After the purchase the Group operates more than 1 000 vehicles that do not use fossil fuels

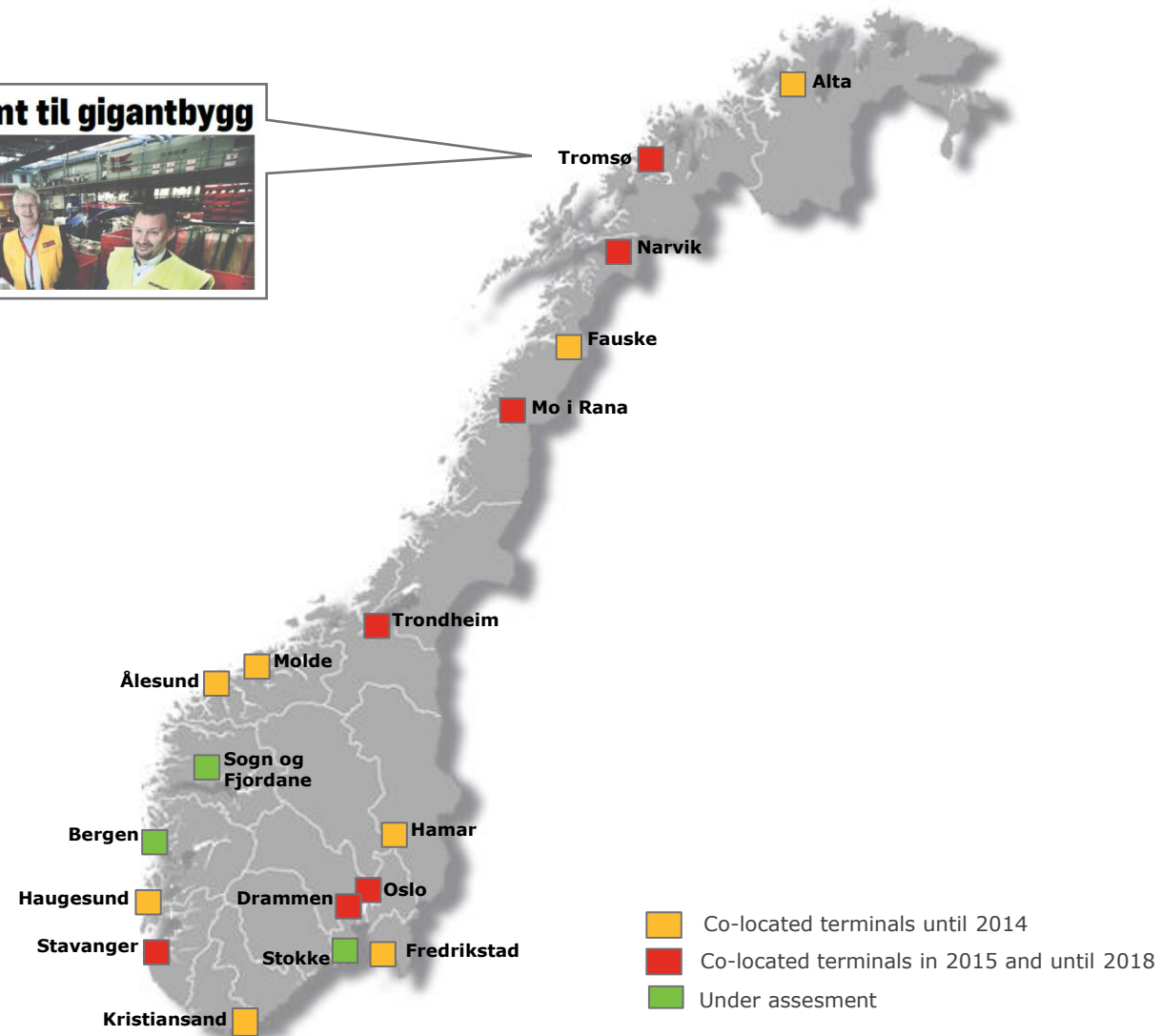


Mailman Knut Håvard Solberg is showing the new electric car to the minister of communications Ketil Solvik-Olsen and the CEO of the Postal Group, Dag Mejdell.

Major investments towards 2018.

18 new, joint terminals based on the needs of the logistic operations.

- Posten Norge is investing BNOK 4 in new joint terminals in Norway towards 2018.
- Will increase productivity and reduce our enviromental footprint.
- In June Posten Norge decided to build a new joint terminal in Tromsø.
- In June Posten Norge opened a new Bring-terminal in Zwijndrecht, Nederland.



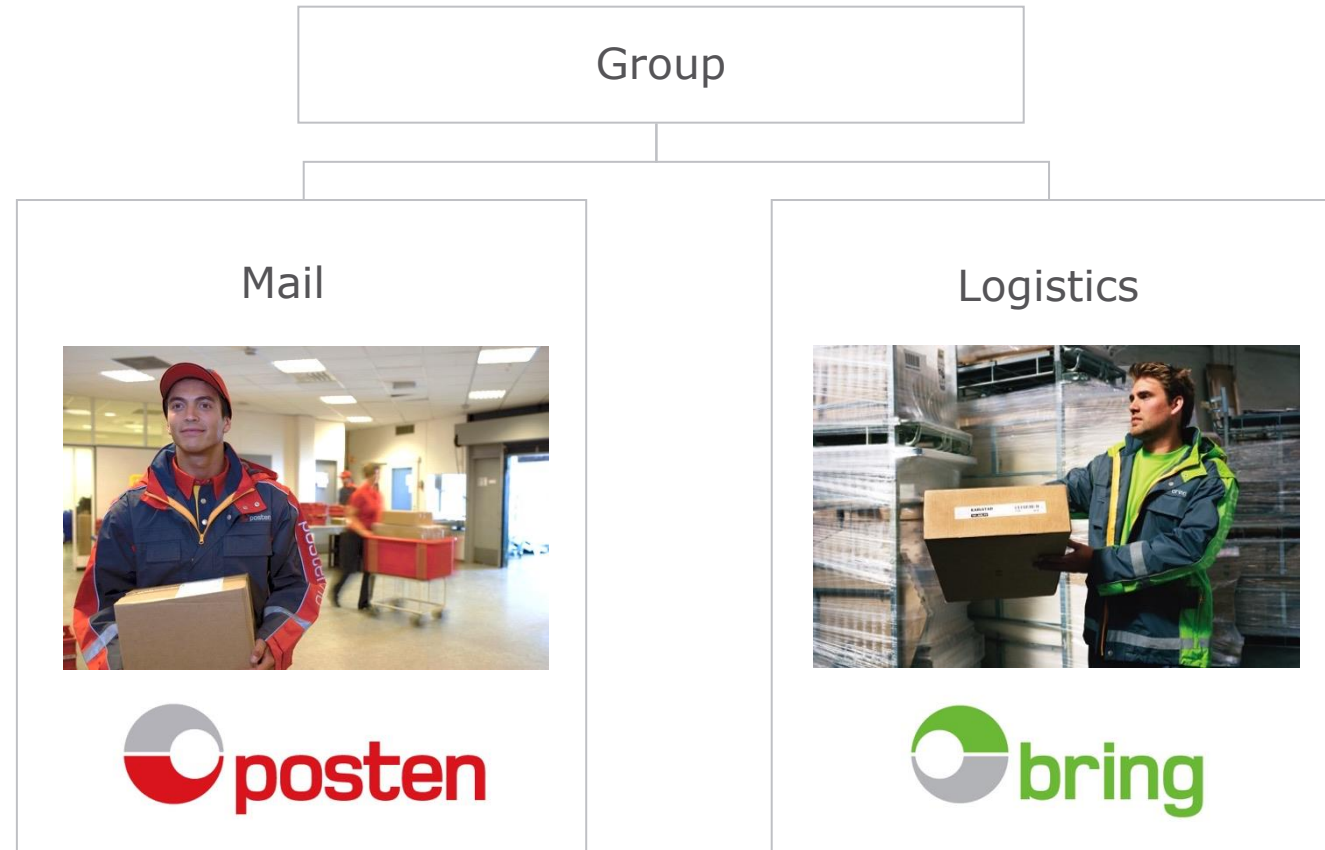
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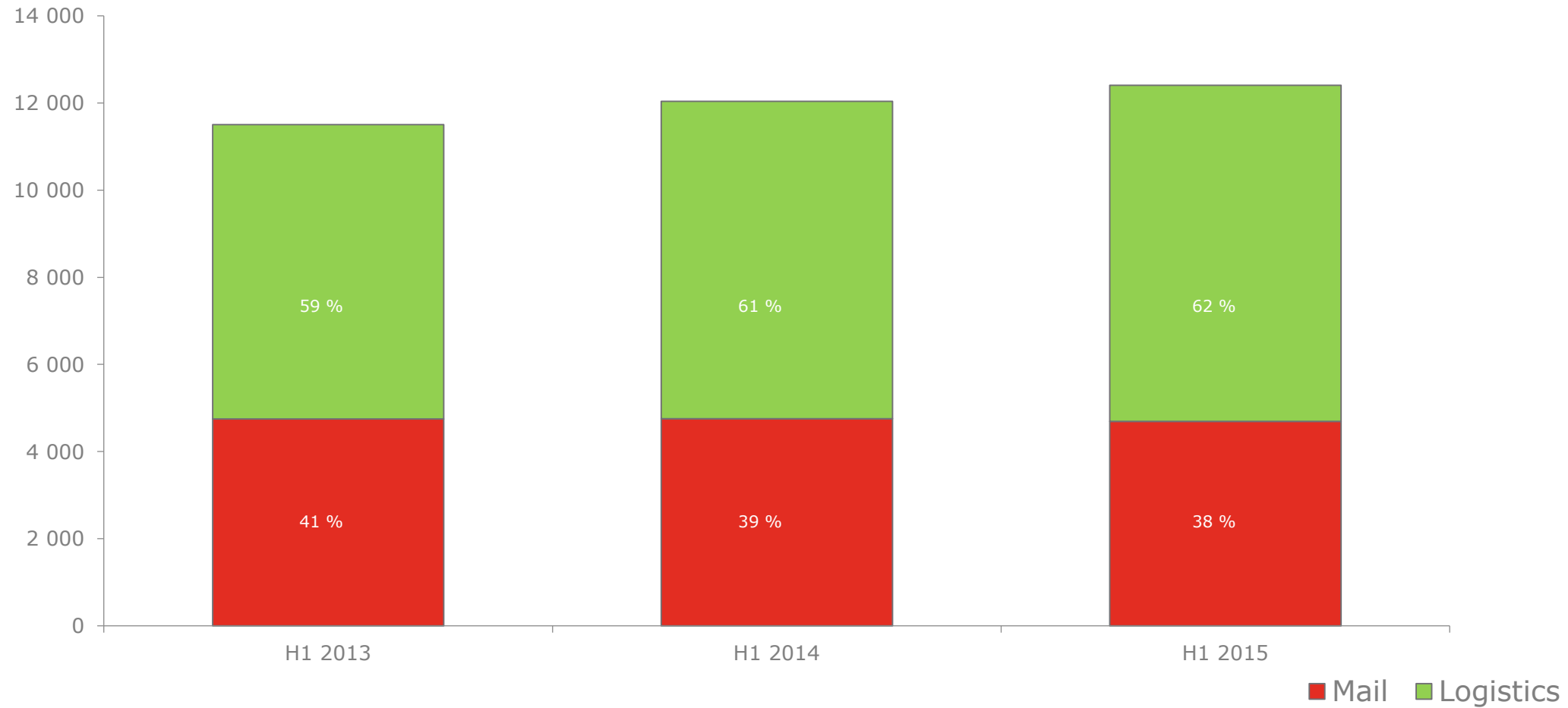
- Results and Segment Review
by CFO Tone Wille



Posten Norge's Segment Structure



Segment distribution of external revenues





Letter Products
Banking services
Dialogue services

Key figures

mail

logistics

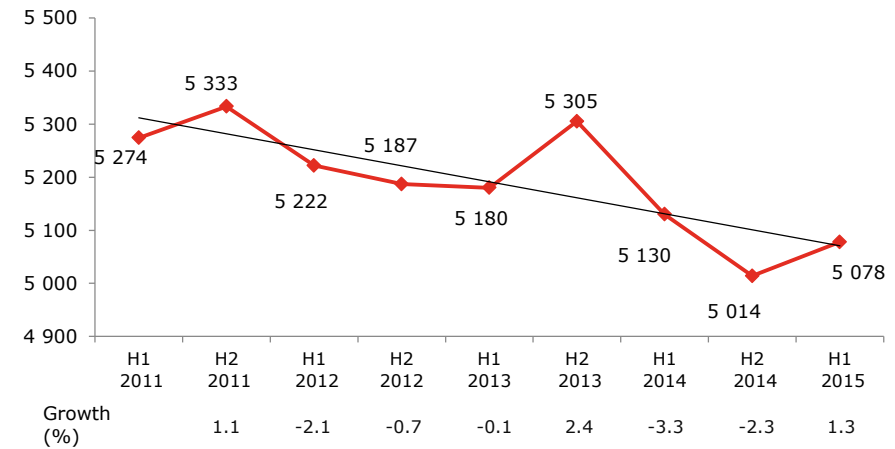
- Operating revenues first half-year 2015 was **MNOK 5 078**, somewhat below last year

- Volume decrease addressed mail 6.4 %
- Volume decrease unaddressed mail 6.5 %
- Volume decrease in Bring CityMail Sweden 1.5 %

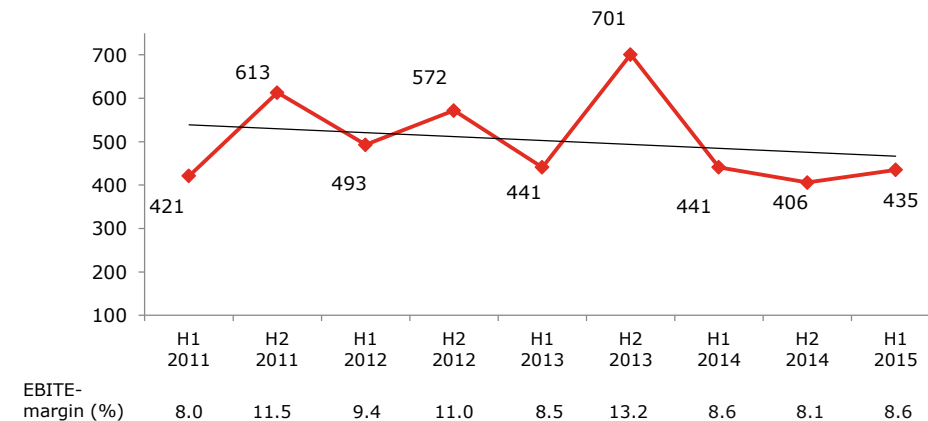
- Earnings before write-downs and non-recurring items was **MNOK 435** in the first half-year 2015, the same level as the first half-year 2014.

- Positive effects of cost reducing measures compensate for the decrease in volume

Driftsinntekter



EBITE





- Parcels
- Express
- Cargo
- Frigo
- Warehousing
- Supply Services

Key figures

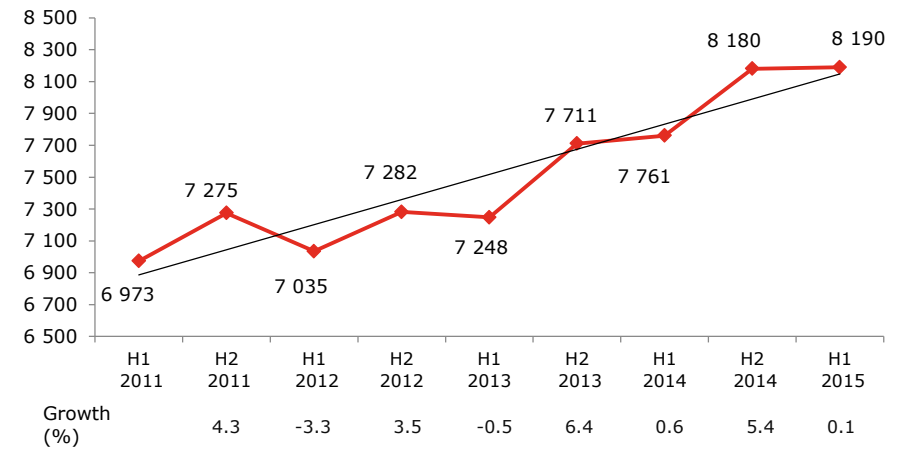
mail

logistics

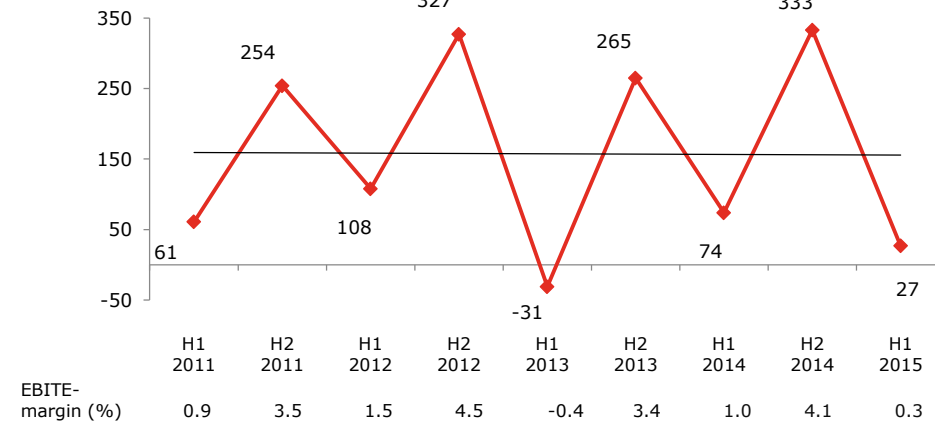
- Operating revenues first half-year 2015 was **MNOK 8 190**, a growth of MNOK 429 from the same period in 2014
 - Growth in revenues from the business segment International and the Swedish operations
 - Increases in private e-commerce , particular the transnational
 - Significant lower activity attached to the oil industry

- Earnings before write-downs and non-recurring items in the first half-year 2015 was **MNOK 27**, a decrease compared to same period in 2014
 - The decrease in results follows the decrease in the oil industry
 - Still challenging market conditions attached to the logistics operations in Sweden and Denmark, particularly within the field of freight

Driftsinntekter



EBITE



Summary



- The proposed new Postal Services Act were granted by the government
- The Group is continuing focus within the Logistic segment. The establishment of the new logistic structure in Norway is according to plan. Posten Norge has in the first half-year decided to coordinate the groups post an logistic operations in Tromsø in a new joint terminal in Tromsø
- Reduced activity in the oil industry influences the development in the logistics market
- Posten Norge is with it's digital mailbox, Digipost, well positioned to win the competition of digital mailusers in the future. A steady increase of public and private users are connecting to Digipost. The governmental goal is that all public communication shall be digital by first quarter 2016.